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DEPARTMENT OF STATE

Memorandum of Conversation
TELEPHONE

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DATE: June 30, 1954
9:00 p.m.

SUBJECT: Guatemala - talks between Castillo Armas and Monzon.

PARTICIPANTS: American Ambassador Michael J. McDermott - San Salvador
Assistant Secretary Henry F. Holland

COPIES TO: S - The Secretary
U - General Smith
G - Mr. Murphy

714.00/6-3054

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In reply to Mr. Holland's inquiry Ambassador McDermott said that he had just received a report on the meeting between Castillo Armas and Monzon. He said they arrived at 2:00 p.m. At 2:30 they went to the President's Palace, followed by press people from Guatemala. Then President Osorio, Castillo Armas, Monzon and Peralta Salazar locked themselves in a room for from two to two-and-a-half hours of private conversation. Then they went to Loma Linza, home of the Minister of Economy, which is where they will be housed tonight.

Counselor of Embassy Donovan saw some people from the Armas camp and from them he got the impression that Armas will be pretty hard—does not want promises—does not want to lose anything he has gained. Monzon insists on maintaining control of the Army. That is about where situation now stands. It is regarded as a preliminary exchange of views and tonight at eight o'clock they will get down to a real exchange of views.

President Osorio told the Associated Press he was very optimistic. When asked who was arbitrating he said the U.S. and Salvador were. When they remarked that the US was not represented at the meetings he said the U.S. and Salvador had extended their good offices to bring the two parties together on neutral territory. Ambassador McDermott said he had also made a statement to the press to the effect that the U.S. had extended its good offices to bring the parties together and that the U.S. was not participating in the discussions.

Ambassador McDermott said that the Papal Nuncio did not know what his role

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his role was. He had thought that he would be an observer but he was shut out of the meeting today. They asked him to stay around in case he was needed and he is staying at Loma Lanza. Ambassador McDermott said that he intended to stay out of it and Mr. Holland said that was what we wanted him to do.

Mr. Holland inquired of whereabouts of Ambassador Peurifoy's airplane and was told it was at the military airfield. Mr. Holland requested Ambassador McDermott to send the plane back to Guatemala at dawn so that if it became necessary or desirable Ambassador Peurifoy could get to San Salvador quickly. Mr. Holland said that he did not think it would be necessary but wanted to be ready just in case it should be. Ambassador McDermott said that if the matter were settled the plane would take Monzon back that night.

Mr. Holland asked Ambassador McDermott to confirm what he had told him by cable tonight, repeating it to Ambassador Peurifoy. He also requested Ambassador Peurifoy McDermott to keep Ambassador Peurifoy as closely informed as possible of the progress of the meetings so that if it became necessary he could run over quickly.

ARA:MKarydakis